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TO RUEHC/SECSTATE WASHDC PRIORITY 7671
INFO RUEHZK/ECOWAS COLLECTIVE PRIORITY
RUEHUJA/AMEMBASSY ABUJA PRIORITY 7621
RUEHLO/AMEMBASSY LONDON PRIORITY 0666
RUEHFR/AMEMBASSY PARIS PRIORITY 0413
RUEHRO/AMEMBASSY ROME PRIORITY 1105
RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHINGTON DC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY
RUEKJCS/SECDEF WASHINGTON DC PRIORITY

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TAGS: ECPS ECON EINV EIND PGOV PREL NI

SUBJECT: EFCC ARRESTS PROMINENT BUSINESSMAN MIKE ADENUGA

Classified By: Consul General Brian L. Browne for
reasons 1.4 (B) and (D)

¶1. (C) Summary. On July 9, Nigeria's Economic and Financial Crimes Commission (EFCC) arrested Mike Adenuga, Chairman of Globacom Limited and indigenous oil company Conoil, and key financial partner of presidential candidate Ibrahim Babangida (IBB) on allegations of financial impropriety. Adenuga also has business relations with Obasanjo's political bete noire, Vice President Atiku. The EFCC released Adenuga on July 11, but continues to keep reins on him. Political commentators said the EFCC is selectively pursuing key businessmen and politicians to choke the money supply of politicians Obasanjo wants to corral so that he can maximize his influence on the 2007 election. End summary.

¶2. (C) EFCC General Secretary Emmanuel Akomaye told Econoff Mike Adenuga's arrest was not a simple 'routine' investigation, and they will continue to monitor Adenuga's activities. Adenuga is reportedly required to check in with the EFCC weekly. Adenuga had hoped a personal appeal to the President might put an end to his embarrassing predicament. His hopes were dashed when he visited the Presidential Aso Villa July 13, but was directed to leave without seeing the President after waiting six fruitless hours. Apparently, Adenuga was fortunate even to be able to be shown the exit at Aso Rock. Reportedly, it required a call from IBB to convince Obasanjo to release Adenuga from detention. The same day, the EFCC released a press statement on the Adenuga case, saying the investigation has "certain international dimensions that EFCC may not be in a position to make public at this stage." This appears to be a reference to alleged connections between Adenuga, Vice-President Atiku Abubakar, and U.S. Congressman Jefferson, under investigation by the FBI.

¶3. (C) Part of the EFCC investigation concerns the Petroleum Technology Development Fund (PTDF), a fund set up by the GON to develop the indigenous oil sector by training Nigerian professionals abroad and acquiring sophisticated technology. Industry watchers admit the Fund was not closely monitored and likely money has been siphoned. Vice-President Atiku Abubakar is a former Chair of the PTDF, and the Equatorial Trust Bank (ETB), chaired by Adenuga, reportedly held some PTDF funds. An IBB insider told us that millions of dollars passed through the Fund, via ETB, to other accounts owned by Atiku.

¶4. (C) Comment: The detention of Adenuga is another link in a concatenation intended to shackle those who Obasanjo feel are most capable of contesting his ability to impose his will on the 2007 electoral process. If this is the case, Adenuga is a prime choice as his detention will send shocks through the financial structures of IBB and Atiku, the two most financially endowed of the top northern presidential candidates (former Head of State Buhari is penurious by comparison). What a difference four years makes. In 2003, Adenuga reportedly was one of the top contributors to Obasanjo's political campaign. Now he has been brought closer than is comfortable to exchanging his businessman's pinstripes for a striped suit of a different nature, that of an inmate. End comment.

BROWNE